



REDEVELOPMENT AUTHORITY
Agenda

Tuesday, April 21, 2015 at 5:00 pm
Municipal Building
625 52nd Street - Room 204 - Kenosha, WI 53140

Katherine Marks - Chairperson, Alderperson Bob Johnson - Vice-Chairperson
Everett Butler, Eric Migrin, John Potente, Doug Williams

Call to Order and Roll Call

Approval of Minutes from December 16, 2014

1. Financial Report for March 31, 2015
2. Lease by and between the Redevelopment Authority of the City of Kenosha, Wisconsin and Armando De La Rosa regarding property at 5143 13th Avenue. (District 2) PUBLIC HEARING

*The Redevelopment Authority may go into Closed Session
Per Section 19.83(1)(e.) Wisconsin Statutes and
may or may not reconvene into Open Session for the
purpose of holding a hearing and making a Final Determination*

Public Comments

Commissioner Comments

Staff Comments

Adjournment

*If you are disabled in need of assistance, please call 262.653.4030 at least 72 hours before this meeting.
Notice is hereby given that a majority of the members of the Common Council may be present at the meeting.
Although this may constitute a quorum of the Common Council, the Council will not take any action at this meeting.*

REDEVELOPMENT AUTHORITY OF THE CITY OF KENOSHA
Minutes
December 16, 2014

MEMBERS PRESENT: Katherine Marks, Alderperson Bob Johnson, Everett Butler, John Potente and Doug Williams

EXCUSED: Eric Migrin

STAFF PRESENT: Zohrab Khaligian

The meeting was called to order at 5:01.m. by Chairperson Marks and roll was taken.

A motion was made by Mr. Williams and seconded by Alderperson Johnson to approve the minutes of the November 18, 2014 meeting. The motion passed. (Ayes 5; Noes 0)

1. Election of Chair person and Vice-Chairperson

A motion was made by Alderperson Johnson and seconded by Mr. Williams to nominate Katherine Marks as Chairperson. There were no other nominations. The motion passed. (Ayes 5, Noes 0)

A motion was made by Mr. Williams and seconded by Mr. Butler to nominate Alderperson Johnson as Vice-Chairperson. There were no other nominations. The motion passed. (Ayes 5, Noes 0)

A motion was made by Alderperson Johnson and seconded by Mr. Williams to appoint Mr. Labahn, Director of Community Development and Inspections, as recording Secretary.. The motion passed. (Ayes 5, Noes 0)

2. Agreement by and between Kenosha Newco Capital, LLC f/k/a UBC Kenosha, LLC and the City of Kenosha, Wisconsin and the Redevelopment Authority of the City of Kenosha, Wisconsin. (District 3)

Zohrab Khaligian, Community Development Specialist, explained that this Termination Agreement is similar to the Termination Agreement which was recently executed for the Pick N Save parcel. Since the development has been completed on the parcels occupied by the TCF Bank and the building housing Subway, which acts as a permanent environmental cap, and the WDNR has issued an environmental closure, there is no reason for the City and Redevelopment to want to re-purchase either parcel and the ongoing environmental responsibilities are now between the property owner and WDNR.

Mr. Potente asked if there is any downside to doing this. Mr. Khaligian said no. Mr. Potente also asked about the missing monitoring wells. Mr. Khaligian responded that is now an issue between the property owner and the WDNR. A motion was made by Mr. Potente and seconded by Alderperson Johnson to approve the Agreement. The motion passed. (Ayes 5, Noes 0)

Public Comments

No Public comments.

Authority Comments

No Authority comments.

Staff Comments

Mr. Khaligian explained that Council approved the 2015 Budget. With the approved Budget, the property at 4603 37th Avenue can be purchased in January and asbestos abatement at 4603 37th Avenue will occur soon.

A motion was made by Mr. Potente and seconded by Alderperson Johnson to adjourn. The motion passed. (Ayes 5; Noes 0) The meeting adjourned at 5:17 p.m.

Meeting Minutes Prepared by: Zohrab Khaligian, Community Development & Inspections

Draft

Tuesday, April 21, 2015 at 5:00 pm
Municipal Building
625 52nd Street - Room 204 - Kenosha, WI 53140

Financial Report for March 31, 2015

NOTIFICATIONS AND APPROVAL REQUIREMENTS:

N/A

LOCATION AND ANALYSIS:

Site: N/A

1. Attached is the Financial Report for the period ending March 31, 2015.
2. The report includes the:
 - a. Balance Sheet - A Statement of Revenues, Expenditures and changes in fund balance.
 - b. Statement of Authorizations and Expenditures.
 - c. List of Holdings - A list of anticipated expenditures.
 - d. Two (2) maps indicating properties owned or assembled by the Redevelopment Authority.

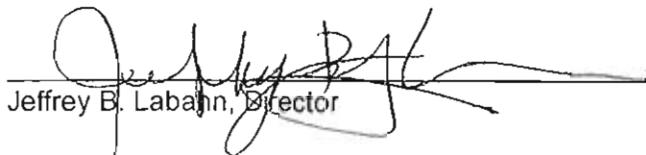
RECOMMENDATION:

A recommendation is made to receive and file the Financial Report.



Zohrab Khaligian, Community Dev Specialist

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Jeffrey B. Labahn, Director

THE FOLLOWING REPORTS FOR MARCH 31, 2015 WILL BE PROVIDED AT THE MEETING:

- BALANCE SHEET
- STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- SUPPLEMENTAL STATEMENT OF OPERATIONS, EXPENDITURES AND ENCUMBRANCES
- 2015 EXPENDITURES

**KRA Holdings to Date as Requested by the Chairman
As of March 31, 2015**

| Date | Property | Address | Tax Key No. | Acquisition Price | Cost to Date |
|-------------|--------------------|-----------------------|-------------------------|--------------------------|---------------------|
| 01/23/15 | Lentz Partners | 4828 37th Avenue | 09-222-36-230-011 | \$79,965.37 | \$80,810.49 |
| 10/15/14 | Brackeen | 4603 37th Avenue | 09-222-36-227-002 | \$77,958.14 | \$85,554.90 |
| 03/03/14 | Lentz Partners | 4816 37th Avenue | 09-222-36-230-013 | \$82,541.59 | \$100,180.59 |
| 11/13/13 | Alostar Bank | 4627 37th Avenue | 09-222-36-227-006 | \$80,495.94 | \$99,564.46 |
| 06/26/13 | Watring | 4817 37th Avenue | 09-222-36-231-003 | \$89,919.66 | \$117,800.08 |
| 02/14/13 | Lund | 4723 36th Avenue | 09-222-36-226-016 | \$79,702.25 | \$100,211.81 |
| 01/15/13 | Lund | 4717 36th Avenue | 09-222-36-226-015 | \$78,970.75 | \$97,896.32 |
| 01/25/13 | Lentz Partners | 4810 37th Avenue | 09-222-36-230-014 | \$114,690.18 | \$136,607.49 |
| 05/09/12 | Lentz Partners | 4804 37th Avenue | 09-222-36-230-015 | \$123,798.31 | \$149,006.68 |
| 10/28/10 | Piyush Patel | 4702 36th Avenue | 09-222-36-227-028 | \$135,080.00 | \$155,139.63 |
| 05/12/10 | Labanowsky | 4902 37th Avenue | 09-222-36-230-010 | \$150,637.00 | \$175,543.41 |
| 02/26/10 | FNMA | 4615 36th Avenue | 09-222-36-226-010 | \$95,000.00 | \$112,140.73 |
| 09/18/09 | Lentz | 4915 37th Avenue | 09-222-36-231-007 | \$150,101.00 | \$164,781.30 |
| 08/12/09 | Fannie Mae | 4609 36th Avenue | 09-222-36-226-009 | \$112,665.00 | \$129,493.86 |
| 09/26/08 | Lentz | 4901 37th Avenue | 09-222-36-231-005 | \$180,093.00 | \$194,162.03 |
| 06/25/08 | Mattioli | 5016 Sheridan Road | 12-223-31-156-003 | \$275,103.00 | \$366,343.48 |
| 04/30/08 | Abdelhamid | 4621/4627 38th Avenue | 09-222-36-228-003 & 017 | \$130,093.00 | \$140,484.32 |
| 04/30/08 | Iaquinta | 1102/1200 52nd Street | 12-223-31-157-016 | \$146,573.00 | \$188,509.55 |
| 09/07/07 | Labanowsky | 4823 37th Avenue | 09-222-36-231-004 | \$170,013.00 | \$184,135.34 |
| 08/22/07 | Kenosha County | 1342 50th Street | 12-223-31-207-032 | \$34,200.93 | \$34,400.93 |
| 11/29/06 | Crow Properties | 1014 48th Street | 12-223-31-133-003 | \$88,500.00 | \$92,437.24 |
| | | 1015 48th Street | 12-223-31-134-002 | | \$0.00 |
| | | 1021 46th Street | 12-223-31-130-003 | | \$0.00 |
| 03/28/02 | Southport Bank | 4913 13th Avenue | 12-223-31-154-005 | \$45,011.00 | \$45,011.00 |
| 10/13/00 | Bass | 1022 50th Street | 12-223-31-154-007 | \$55,000.00 | \$64,615.10 |
| 09/28/00 | Davison | 5103 13th Avenue | 12-223-31-157-002 | \$35,000.00 | \$41,858.15 |
| 10/29/99 | Kenosha County | 5131 13th Avenue | 12-223-31-157-010 | \$5,827.98 | \$5,827.98 |
| 06/30/99 | Fratrick | 5002 Sheridan Road | 12-223-31-156-001 | \$123,000.00 | \$133,410.00 |
| 06/10/99 | AutoWiz | 913 50th Street | 12-223-31-156-002 | \$85,000.00 | \$137,987.24 |
| 02/19/99 | Kenosha County | 1334 50th Street | 12-223-31-207-016 | \$1.00 | \$1.00 |
| 01/27/99 | First Nations Bank | 1104 50th Street | 12-223-31-154-006 | \$45,000.00 | \$56,018.29 |
| 12/18/98 | Carreon | 5143 13th Avenue | 12-223-31-157-013 | \$30,800.00 | \$37,653.00 |
| 11/13/98 | Principe | 1010 52nd Street | 12-223-31-157-019 | \$62,100.00 | \$74,501.41 |
| 02/27/98 | Bauer | 5139 13th Avenue | 12-223-31-157-012 | \$19,000.00 | \$28,290.05 |
| 02/18/98 | Fogle | 5109 13th Avenue | 12-223-31-157-003 | \$35,000.00 | \$45,170.47 |
| 08/29/97 | Haarstick | 5215 Sheridan Road | 12-223-31-426-008 | \$193,000.00 | \$316,266.30 |

**KRA Holdings to Date as Requested by the Chairman
As of March 31, 2015**

| <i>Date</i> | <i>Property</i> | <i>Address</i> | <i>Tax Key No.</i> | <i>Acquisition Price</i> | <i>Cost to Date</i> |
|------------------------|---------------------------|---------------------------------------|---------------------------------------|------------------------------|------------------------------|
| 06/17/97 | Kenosha Housing Authority | 5115 13th Avenue | 12-223-31-157-005 | \$0.00 | \$155.00 |
| 06/17/97 | Kenosha Housing Authority | 5127 13th Avenue | 12-223-31-157-009 | \$0.00 | \$0.00 |
| 11/15/96 | Executive Square | 5400 8th Ave, South of Barr Furniture | 12-223-31-426-017 | \$115,000.00 | \$118,010.61 |
| 04/26/95 | Barr Furniture | 5319 Sheridan Road | 12-223-31-426-016 | \$410,000.00 | \$452,918.78 |
| 06/21/93 | CNW Railroad | 50th Street to 45th Street | 12-223-31-501-001,002,003,004,007&008 | \$31,000.00 | \$31,250.00 |
| 06/15/93 | CNW Railroad | Sheridan Road to 50th Street | 12-223-31-501-009 & 010 | \$11,627.00 | \$11,657.95 |
| 02/12/87 | Reformation Church | 1006 52nd Street | 12-223-31-157-020 | \$0.00 | \$0.00 |
| <i>SUBTOTAL</i> | | | | <i>\$3,777,468.10</i> | <i>\$4,505,806.97</i> |

Other Properties
As of March 31, 2015

| <i>Date</i> | <i>Property</i> | <i>Address</i> | <i>Tax Key No.</i> | <i>Acquisition Price</i> | <i>Cost to Date</i> |
|--------------------|---------------------------------------|-----------------------------|-------------------------|--------------------------|-----------------------|
| 11/04/11 | Wells Fargo | 4628 37th Avenue | 09-222-36-228-012 | \$65,388.56 | \$84,937.56 |
| 11/29/06 | Crow Properties | 1001 50th Street | 12-223-31-155-002 | | \$0.00 |
| | (Purchased by City) | 2916 Sheridan Road | 10-223-19-453-002 | | \$0.00 |
| | | 1515 52nd Street | 12-223-31-303-005 | | \$75.00 |
| 01/04/95 | Train Station (METRA) | 5414 13th Avenue | 12-223-31-501-035 & 036 | \$150,000.00 | \$152,562.00 |
| 01/21/94 | HUD | 5818 Fifth Avenue | 12-223-31-488-009 | \$10,000.00 | \$15,686.90 |
| 01/07/94 | Senate Building | 1204/1210 56th Street | 12-223-31-436-006 | \$220,000.00 | \$336,772.66 |
| | (Leased to City Transit) | | | | \$0.00 |
| 05/15/92 | CNW Railroad | Sixth Avenue to 52nd Street | 12-223-31-501-037 | \$26,000.00 | \$31,596.75 |
| 03/07/90 | Finishing & Plating | 1003 53rd Street | 12-223-31-431-001 | \$1,400,000.00 | \$1,593,259.42 |
| | (Stationside Village Parking Lot) | | | | \$0.00 |
| N/A | N/A | 5802 Fifth Avenue | 12-223-31-488-001 | \$0.00 | \$0.00 |
| | (Public parking lot for City Transit) | | | | |
| SUBTOTAL | | | | \$1,871,388.56 | \$2,214,890.29 |
| GRAND TOTAL | | | | \$5,648,856.66 | \$6,720,697.26 |

**Properties Previously Owned by Redevelopment Authority
As of March 31, 2015**

| Date | Property | Address | Tax Key No. | Acquisition Price | Cost to Date |
|-------------|--|-----------------------|--------------------|--------------------------|---------------------|
| 12/05/05 | Wolf (Transferred to Kenosha Community Health Center) | 6202 14th Avenue | | \$37,011.00 | \$37,011.00 |
| 09/26/03 | 14th Avenue Ventures (Transferred to Kenosha Community Health Center) | 6220 14th Avenue | | \$88,600.00 | \$88,600.00 |
| 07/30/93 | Ebner (Public parking lot transferred to City) | 5802 Fifth Avenue | 12-223-31-489-015 | \$90,000.00 | \$90,000.00 |
| 05/25/05 | DOG Properties (Transferred to Boys & Girls Club) | 5129/5131 14th Avenue | 12-223-31-276-016 | \$180,000.00 | \$207,551.97 |
| 04/06/01 | McKinley (Transferred to Boys & Girls Club) | 5021 14th Avenue | 12-223-31-276-009 | \$71,400.00 | \$93,993.54 |
| 04/06/01 | McKinley (Transferred to Boys & Girls Club) | 5111 14th Avenue | 12-223-31-276-015 | \$66,150.00 | \$86,985.90 |
| 04/06/01 | McKinley (Transferred to Boys & Girls Club) | 5133 14th Avenue | 12-223-31-276-017 | \$62,160.00 | \$78,891.39 |
| 08/13/99 | Villegas (Transferred to Boys & Girls Club) | 5043 14th Avenue | 12-223-31-276-012 | \$55,000.00 | \$59,989.36 |
| 04/07/99 | Shay (Transferred to Boys & Girls Club) | 5013 14th Avenue | 12-223-31-276-007 | \$52,010.00 | \$56,007.68 |
| 12/18/98 | Boak (Transferred to Boys & Girls Club) | 5105 14th Avenue | 12-223-31-276-014 | \$55,000.00 | \$85,581.58 |
| 12/18/98 | Villasenor (Transferred to Boys & Girls Club) | 5101 14th Avenue | 12-223-31-276-013 | \$45,000.00 | \$53,734.87 |
| 11/30/98 | Bushnell (Transferred to Boys & Girls Club) | 5025 14th Avenue | 12-223-31-276-010 | \$65,082.00 | \$80,003.42 |
| 12/30/97 | Vacant Lot (Transferred to Boys & Girls Club) | 5037 14th Avenue | 12-223-31-276-011 | \$7,500.00 | \$7,500.46 |
| 06/27/97 | Stipek (Transferred to Boys & Girls Club) | 5007 14th Avenue | 12-223-31-276-006 | \$49,900.00 | \$61,507.46 |
| 06/17/97 | Kenosha Housing Authority (Transferred to Boys & Girls Club) | 1346 52nd Street | 12-223-31-276-018 | \$0.00 | \$0.00 |
| 05/30/97 | Laundromat (Transferred to Boys & Girls Club) | 1351 50th Street | 12-223-31-276-005 | \$52,783.71 | \$82,857.54 |
| 01/13/97 | Kenosha County (Transferred to Boys & Girls Club) | 5015 14th Avenue | 12-223-31-276-008 | \$14,377.71 | \$15,398.78 |
| 07/31/96 | Meyers (Transferred to Boys & Girls Club) | 1339 50th Street | 12-223-31-276-002 | \$25,000.00 | \$33,200.32 |

*Properties Previously Owned by Redevelopment Authority
As of March 31, 2015*

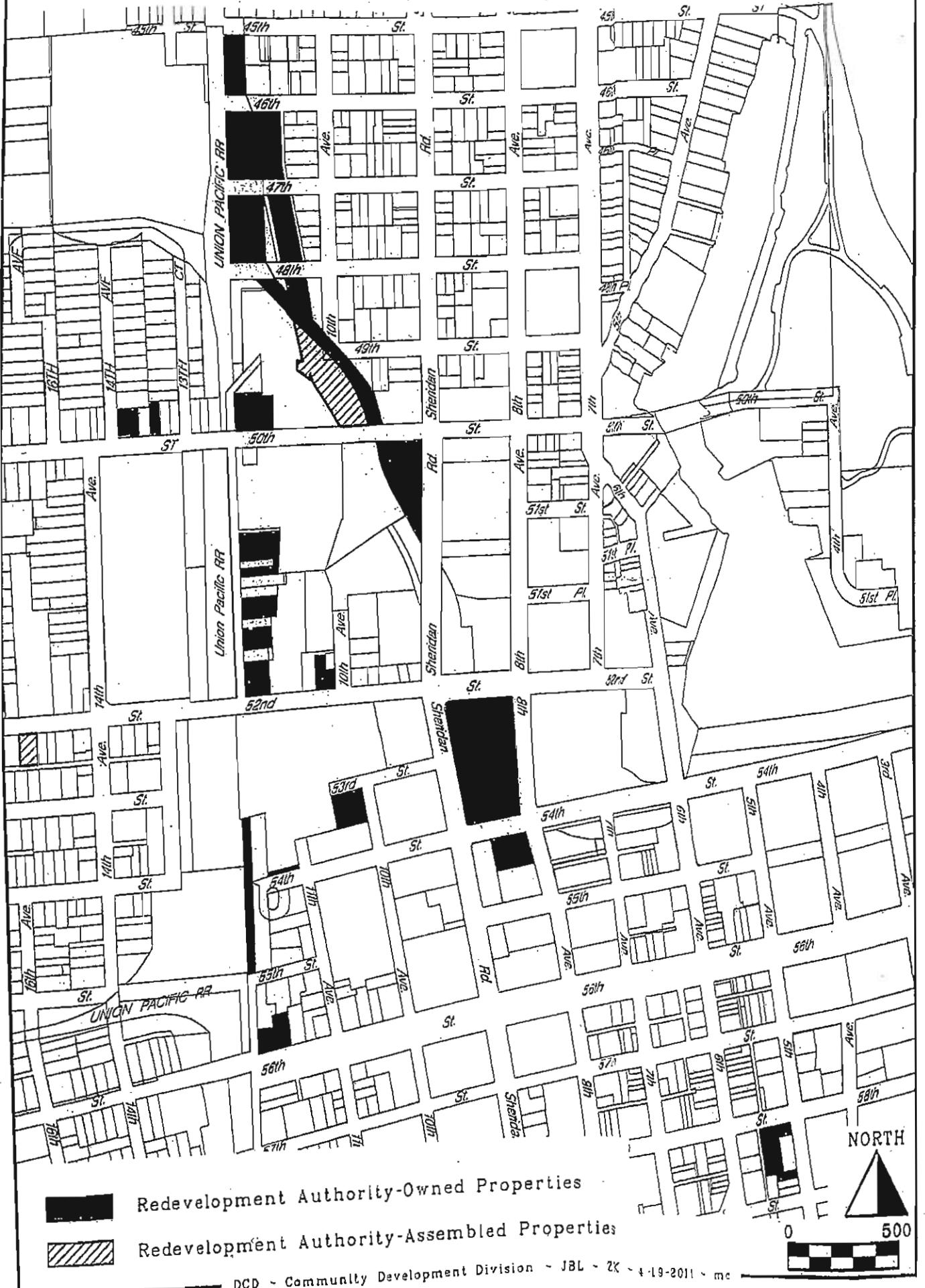
| <i>Date</i> | <i>Property</i> | <i>Address</i> | <i>Tax Key No.</i> | <i>Acquisition Price</i> | <i>Cost to Date</i> |
|--------------|---|------------------|--------------------|--------------------------|-----------------------|
| 08/28/09 | Smith (Transferred to Boys & Girls Club) | 1343 50th Street | 12-223-31-276-003 | \$73,715.00 | \$98,154.51 |
| 12/31/97 | Warehouse (Transferred to Boys & Girls Club) | 1347 50th Street | 12-223-31-276-004 | \$30,000.00 | \$40,009.16 |
| TOTAL | | | | \$1,120,689.42 | \$1,356,978.94 |

**KRA Anticipated Expenditures
As of March 31, 2015**

| <u>Property</u> | <u>Address</u> | <u>Tax Key No.</u> | <u>Activity</u> | <u>Anticipated Costs</u> |
|-----------------|------------------|--------------------|-----------------|--------------------------|
| Lentz Partners | 4810 37th Avenue | 09-222-36-230-014 | Demolition | \$7,500.00 |
| Lund | 4717 36th Avenue | 09-222-36-226-015 | Demolition | \$7,500.00 |
| Lund | 4723 36th Avenue | 09-222-36-226-016 | Demolition | \$7,500.00 |
| Watring | 4817 37th Avenue | 09-222-36-231-003 | Demolition | \$6,000.00 |
| Alostar Bank | 4627 37th Avenue | 09-222-36-231-003 | Demolition | \$10,000.00 |
| Lentz Partners | 4816 37th Avenue | 09-222-36-230-013 | Demolition | \$10,000.00 |
| Brackeen | 4603 37th Avenue | 09-222-36-227-002 | Demolition | \$22,000.00 |
| Lentz Partners | 4828 37th Avenue | 09-222-36-230-011 | Demolition | \$25,000.00 |
| <u>TOTAL</u> | | | | <u>\$95,500.00</u> |

CITY OF KENOSHA

Redevelopment Authority-Owned Properties

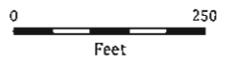


- Redevelopment Authority-Owned Properties
- Redevelopment Authority-Assembled Properties

Wilson Neighborhood Redevelopment Options



- City-Owned Properties
- Kenosha Housing Authority-Owned Properties
- Redevelopment Authority-Owned Properties



Tuesday, April 21, 2015 at 5:00 pm
Municipal Building
625 52nd Street - Room 204 - Kenosha, WI 53140

Lease by and between the Redevelopment Authority of the City of Kenosha, Wisconsin and Armando De La Rosa regarding property at 5143 13th Avenue. (District 2) PUBLIC HEARING

NOTIFICATIONS AND APPROVAL REQUIREMENTS:

Alderperson Jenkins, District 2, has been notified.

LOCATION AND ANALYSIS:

Site: 5143 13th Avenue

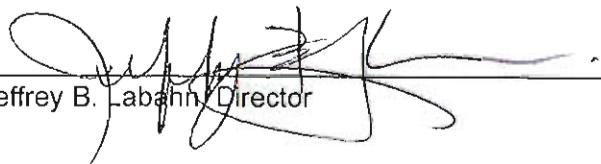
1. Attached is the Lease by and between the Redevelopment Authority of the City of Kenosha, Wisconsin and Armando De La Rosa. The Lease is for a portion of the vacant lot at 5143 13th Avenue owned by the Redevelopment Authority.
2. The Lease specifies:
 - a. Mr. De La Rosa will only use a portion of the lot to install a paved driveway and park private vehicles on it.
 - b. Mr. De La Rosa will have 180 days from execution of the Lease to install the driveway and he will be responsible for all maintenance, repairs, improvements and their respective costs.
 - c. The term is 25 years and may be extended for an additional 25 years.
 - d. The rent is \$1 per year.
 - e. Early termination due to
 - a breach of the Lease;
 - if the Redevelopment Authority proposes to sell their lot (5143 13th Avenue);
 - if the Redevelopment Authority purchases Mr. De La Rosa's lot (5147 13th Avenue).
3. Mr. De La Rosa found all of the terms and conditions of the Lease to be acceptable with one exception. Mr. De La Rosa would like to lease the entire lot as well as the small lot east of his property. Mr. De La Rosa would like to improve both lots which would include grading, installation of the driveway and construction of a garage. However, the City Zoning Ordinance prohibits the construction of a garage (accessory building) pm a vacant lot without a principal use.
4. Mr. De La Rosa is currently reviewing the insurance requirements with his agent.
5. The small lot to the east of 5147 13th Avenue is owned by Kenosha County.
6. Mr. De La Rosa will attend the meeting to discuss his request to Lease the entire lot and the County lot.

RECOMMENDATION:

For discussion purposes.



Zohrab Khaligian, Community Dev Specialist



Jeffrey B. Labahn, Director

LEASE

By And Between

THE REDEVELOPMENT AUTHORITY OF
THE CITY OF KENOSHA, WISCONSIN,
A Wisconsin Redevelopment Authority

And

ARMANDO DE LA ROSA
5147 13th AVENUE

THIS LEASE, made and entered into by and between THE REDEVELOPMENT AUTHORITY OF THE CITY OF KENOSHA, WISCONSIN, a Wisconsin redevelopment authority, organized and existing under the laws of the State of Wisconsin, hereinafter referred to as "RDA" and ARMANDO DE LA ROSA("De La Rosa").

WITNESSETH:

WHEREAS, RDA owns a certain parcel of real estate with the Parcel Number of 12-223-31-157-013 commonly known as 5143 13th Avenue, Kenosha, Wisconsin, ("PARCEL"); and

WHEREAS, De La Rosa has requested to lease and occupy a portion of the Parcel as described and shown on Exhibit "A" in order to install a paved driveway for the purpose of parking private vehicles; and

WHEREAS, it is to the mutual advantage of the parties to enter into this Lease.

NOW, THEREFORE, in consideration of the mutual undertakings, understanding and agreements hereinafter set forth, RDA and De La Rosa agree as follows:

ARTICLE 1 - PREMISES AND USE

1.1 PREMISES. RDA does hereby lease, let, and demise to De La Rosa a portion of the PARCEL, as shown on Exhibit "A", attached hereto and incorporated herein by reference hereinafter "Premises."

1.2 USE. De La Rosa shall occupy and use the Premises for the sole purpose of installing a paved driveway and parking private vehicles on it. De La Rosa shall not obstruct the use of the remainder of the Parcel.

ARTICLE 2 - TERM

2.1 TERM AND POSSESSION. The term of this Lease, subject to early termination as hereinafter provided, shall commence on the date of execution and shall have a term of twenty-five (25) years ("TERM") and may be extended for an additional twenty-five (25) years by the mutual consent of the parties.

2.2 EARLY TERMINATION. Either party may terminate this Lease should there be a material breach thereof by the other, which breach is not cured within thirty (30) days of written notice thereof, and a demand for curative action. De La Rosa shall have such extended period as may reasonably be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and De La Rosa commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. Notwithstanding the above RDA may in any case terminate this Lease upon its sale or lease of the PARCEL or purchase of 5147 13th Avenue.

2.3 CONDITION OF PREMISES UPON TERMINATION. Upon termination of this Lease, De La Rosa shall surrender the Premises in good order and condition, reasonable wear and tear excepted.

ARTICLE 3 - CONSIDERATION

CONSIDERATION. De La Rosa agrees to pay to RDA, for use and occupancy of Premises, with due consideration for the Term of this Lease, the sum of One Dollar (\$1.00), to be paid annually, the receipt and sufficiency of which is hereby acknowledged.

ARTICLE 4 – IMPROVEMENTS

4.1 DRIVEWAY. De La Rosa shall, at his own cost within one hundred eighty (180) days of execution of this Lease, install a concrete driveway on the Premises as depicted on Exhibit A.

4.2 OTHER IMPROVEMENTS. De La Rosa, at its own cost and expense, may make other improvements to Premises, with the written authorization of the RDA. Any such authorization is at the sole discretion of the RDA.

4.3 OWNERSHIP, TRANSFER, SURRENDER OR REMOVAL OF IMPROVEMENTS. Any and all improvements, additions or alterations made by De La Rosa after authorization from RDA has been obtained, including any and all fixtures installed, shall remain in and upon the Premises as the property of RDA at the termination of this Lease, unless RDA requests their removal. Should RDA request their removal De La Rosa shall restore the Premises to its original condition.

4.4 UNAUTHORIZED IMPROVEMENTS. Should De La Rosa make any improvements without prior RDA approval which are not satisfactory to RDA, then, upon written notice to do so, De La Rosa shall remove the same, or at the option of RDA, cause the same to be changed, modified or reconstructed to the satisfaction of RDA. Should De La Rosa fail to comply with such notice within thirty (30) days of receipt thereof, or should De La Rosa commence to comply therewith and fail to pursue such work diligently to completion, RDA may effect the removal, change, modification or reconstruction thereof, and De La Rosa shall pay the cost thereof to RDA, upon written demand.

ARTICLE 5 - CARE, MAINTENANCE AND REPAIR OF LEASED PREMISES

5.1 DE LA ROSA'S RESPONSIBILITY. De La Rosa shall at all times, be responsible for the care, maintenance and repair of Premises, including all improvements thereon, whether such work be ordinary, extraordinary, structural or otherwise, arising from any cause, and of any nature, all to be performed in a good and workmanlike manner, and in accordance with the provisions of this Lease. De La Rosa shall, at all times:

5.1.1 Keep Premises, improvements and personal property thereon, in a clean, neat and sanitary condition.

5.1.2 Maintain improvements and perform all repair work in accordance with Federal, State and local laws, rules and regulations, upon receipt of permits and governmental approvals, where required.

5.1.3 Be responsible for any environmental cleanup required by any act or omission of De La Rosa or its employees, invitees or agents or arising out of its use of Premises. De La Rosa shall not, however, be responsible for any environmental cleanup not due to the act or omission of De La Rosa or its employees, invitees or agents.

5.2 TIME REQUIREMENTS FOR REPAIRS. De La Rosas shall have thirty (30) days from the date on which the condition arose to repair any minor damage to Premises, including improvements, and one hundred twenty (120) days from the date on which the condition arose to repair any major damage to Premises, including improvements. As used herein, minor damage shall be damage to Premises or improvements which would cost Two Thousand Dollars (\$2,000.00) or less to repair, and major damage shall be damage to Premises or improvements which would cost in excess of Two Thousand Dollars (\$2,000.00) to repair. Notwithstanding the above, emergency repairs shall be conducted by De La Rosa as soon as possible when required to preserve the Premises and improvements.

ARTICLE 6 - ACCESS TO PREMISES

De La Rosa agrees to and shall permit RDA to send its representatives and employees onto Premises and improvements thereon, for the purpose of inspection and maintenance thereof. In non-emergency situations, De La Rosa shall be provided with reasonable, advance notice of such activities by RDA if De La Rosa is available to receive such notice.

ARTICLE 7 - ASSIGNMENT/SUBLEASE

De La Rosa may not assign or sublease Premises without permission of RDA. An unauthorized assignment or sublease shall give RDA the option of terminating this Lease.

ARTICLE 8 - GOVERNMENTAL REQUIREMENTS

8.1 COMPLIANCE WITH LAW. De La Rosa, with respect to the operation and maintenance of Premises, agrees to observe and obey any and all Federal, State and City laws, rules, regulations and ordinances, as they now exist and as they may be enacted or amended in the future, and with every lawful order given by any public officer pursuant thereto, and to

require its officers, agents, employees, contractors, tenants, and suppliers to observe and obey the same.

8.2 LICENSES, CERTIFICATES AND PERMITS. De La Rosa shall procure all licenses, certificates, permits and other authorizations required by any and all governmental authorities having jurisdiction over Premises including, but not limited to, any permits required to pave the driveway.

ARTICLE 9 - QUIET ENJOYMENT

RDA covenants and agrees, so long as De La Rosa shall duly and punctually perform and observe all the terms and conditions hereof, that De La Rosa shall peaceably and quietly have, hold and enjoy Premises, subject to the right of RDA to inspect Premises, and exercise other rights provided and reserved to it herein.

ARTICLE 10 - NATURAL DISASTER

De La Rosa's obligations during the term of the Lease shall neither abate nor be suspended by virtue of any damage to Premises or improvements resulting from any natural disaster, unless RDA agrees otherwise or elects to terminate this Lease upon sixty (60) days advance, written notice.

ARTICLE 11 - INTERRUPTION IN USE OR ENJOYMENT

RDA shall not be liable to De La Rosa for money damages arising out of any interruption in De La Rosa's use or enjoyment of Premises by reason of any physical damage to or destruction of Premises.

ARTICLE 12 - INDEMNITY AND HOLD HARMLESS

DE LA ROSA INDEMNIFIES AND HOLDS HARMLESS RDA. De La Rosa does hereby agree that it will indemnify and hold harmless RDA, and its officers, agents and employees against any and all claims, liability, loss, charges, damages, costs, expenses or attorney's fees, which any of them may hereafter sustain, incur or be required to pay as a result of incidents occurring on Premises or as a result of any operations, works, acts or omissions performed on Premises by De La Rosa, his employees, agents or representatives, during the term of this Lease, or resulting from De La Rosa's failure to perform or observe any of the terms, covenants and conditions of this Lease, or resulting from any conditions of Premises or improvements thereon causing any person to suffer personal injury, death or property loss or damage: provided, however, that the provisions of this paragraph shall not apply to claims, liabilities, losses, charges, damages, costs, expenses, or attorney's fees caused or resulting from the acts or omissions of RDA, or any of its officers, agents or employees. Upon the filing with RDA of a claim for damages arising out of any incident(s) which De La Rosa herein agrees to indemnify and hold RDA and others harmless, RDA shall notify De La Rosa of such claim, and in the event that De La Rosa does not pay, settle or compromise such claim, then the De La Rosa shall undertake the legal defense of such claim both on behalf of De La Rosa and RDA. It is specifically agreed, however, that RDA, at its own cost and expense, may participate in the legal

defense of any such claim, but shall have no right to control settlement under circumstances wherein the full amount of the settlement shall be paid by De La Rosa and/or its insurers. Any judgment, final beyond all possibility of appeal, which may be rendered against RDA, or its officers, agents, or employees for any cause for which De La Rosa is liable hereunder shall be conclusive against De La Rosa as to liability and amount of damages. This provision shall survive termination of this Lease.

ARTICLE 13 - SANITATION - STORAGE

De La Rosa shall not permit any unattractive or unsanitary accumulation of trash, garbage, refuse, debris or litter on Premises. The piling of boxes, cartons, drums, cans, parts or other similar items is prohibited.

ARTICLE 14 - BENEFITS

The terms and conditions hereof shall inure to the benefit of the parties and be binding upon their successors.

ARTICLE 15 - NONWAIVER OF RIGHTS

The failure of either party to insist upon strict performance of any of the terms, covenants or conditions herein contained shall not be deemed a waiver of any subsequent breach or default.

ARTICLE 16 - INSURANCE

De La Rosa shall procure and maintain, during this Lease, insurance policies as hereinafter specified to insure against bodily injury or property damage of third parties on the dates of its use of the Premises. The policies must be issued by an insurance company or companies authorized to do business in the State of Wisconsin and licensed by the State of Wisconsin. De La Rosa shall annually furnish a Certificate of Insurance indicating compliance with the foregoing. De La Rosa shall also provide RDA with a copy of the endorsement(s) naming RDA as an additional insured and proof of payment of premium to the City Clerk/Treasurer for approval. The insurance policy or policies shall contain a clause that in the event that any policy issued is canceled for any reason, or any material changes are made therein, the City Clerk/Treasurer will be notified, in writing, by the insurer at least thirty (30) days before any cancellation or change takes effect. If for any reason, the insurance coverage required herein lapses and/or De La Rosa fails to maintain insurance coverage, RDA may declare De La Rosa in default and terminate this Lease as of the date no valid insurance policy was in effect. Certificates of policy renewals shall be furnished to the City Clerk/Treasurer throughout the life of this Lease. RDA reserves the right to reasonably increase the minimum liability insurance requirement set forth herein upon furnishing sixty (60) days advance written notice to De La Rosa, whenever minimum standards of the RDA for all insurance policies comparable to those covering De La Rosa's operations hereunder are enacted which adopt or increase the minimum insurance requirements, and De La Rosa shall comply with said request, upon being given such advance, written notice thereof, or be considered in material default of this Lease. Should De La Rosa fail to furnish, deliver and maintain such insurance coverage, RDA may obtain such insurance coverage and charge De La Rosa the cost of such insurance coverage plus all

appropriate administrative charges and incidental expenses associated with the transaction. The failure of De La Rosa to take out and/or maintain the required insurance shall not relieve De La Rosa from any liability under this Lease. The insurance requirement shall not be construed to conflict with the obligations of De La Rosa in Section 12 of this Lease. De La Rosa shall maintain during the course of this Lease a General Liability Insurance policy with a minimum limit of Five Hundred Thousand Dollars (\$500,000.00).

ARTICLE 17 - DEFAULT

In the event there is a breach by De La Rosa with respect to any of the provisions of this Lease or its obligations under it, including the payment of rent, RDA shall give De La Rosa written notice of such breach. After receipt of such written notice, De La Rosa shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided De La Rosa shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and De La Rosa commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. RDA may not maintain any action or effect any remedies for default against De La Rosa unless and until De La Rosa has failed to cure the breach within the time periods provided in this Paragraph.

ARTICLE 18 - REMEDIES

Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a material provision of this Lease, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Lease and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, RDA shall use reasonable efforts to mitigate its damages in connection with a default by De La Rosa. If De La Rosa so performs any of RDA's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by De La Rosa shall immediately be owing by RDA to De La Rosa, and RDA shall pay to De La Rosa upon demand the full undisputed amount thereof with interest thereon from the date of payment at the greater of (i) ten percent (10%) per annum, or (ii) the highest rate permitted by applicable Laws. Notwithstanding the foregoing, if RDA does not pay De La Rosa the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from RDA, De La Rosa may offset the full undisputed amount, including all accrued interest, due against all fees due and owing to RDA until the full undisputed amount, including all accrued interest, is fully reimbursed to De La Rosa.

ARTICLE 19 - INTEGRATION

This Lease is fully integrated embodying the entire Lease between the parties and any written or oral understandings to the contrary shall be of no force or effect.

ARTICLE 20 - CONSTRUCTION/SEVERABILITY

This Lease shall be construed under the laws of the State of Wisconsin. Any covenant, condition, or provision herein contained that it is held to be unlawful, invalid or unenforceable by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletion shall in no way affect any other covenant, condition, or provision herein contained so long as such deletion does not materially prejudice RDA or De La Rosa in its respective rights and obligations contained in the valid remaining covenants, conditions, or provisions of this Lease, and when such occurs, only such other covenants, conditions or provisions shall be deleted as are incapable of enforcement.

ARTICLE 21 - TIME OF THE ESSENCE

Time is of the essence in each and every provision of this Lease.

ARTICLE 22 - FORCE MAJEURE

The failure or delay of any party to this Lease to perform any obligation under this Lease solely by reason of acts of God, acts of government, riots, wars, terrorism, civil insurrection or other acts of violence, embargoes, strikes, lockouts, violent demonstrations, accidents in transportation, port congestion, or other unforeseeable causes beyond its reasonable control ("Force Majeure") shall not be deemed to be a breach of this Lease; provided, however, that the party so prevented from complying with this Lease shall not have procured such Force Majeure, shall have used reasonable diligence to avoid such Force Majeure and ameliorate its effects, and shall continue to take all action within its power to comply as fully as possible with the terms of this Lease. Except where the nature of the event shall prevent it from doing so, the party suffering such Force Majeure shall notify the other party in writing within five (5) days after the occurrence of such Force Majeure and shall, in every instance, to the extent reasonable and lawful under the circumstances, use its best efforts to remove or remedy such cause with all reasonable dispatch.

ARTICLE 23 - NOTICE

Any notice required to be given to any party to this Lease shall be in writing and delivered either by hand or certified mail, return receipt requested, to the addresses indicated below, or such address as the parties indicate in writing. Notice shall be effective as of the date of delivery, if by hand, or mailing, if by certified mail, return receipt requested.

If to RDA:

Secretary of the Redevelopment Authority
Municipal Building, Room 308
625 - 52nd Street
Kenosha, Wisconsin 53140

with a copy to:

City Attorney
Municipal Building, Room 201
625 - 52nd Street
Kenosha, Wisconsin 53140

If to De La Rosa:

Armando De La Rosa
5147 13th Avenue
Kenosha, Wisconsin 53140

Signatures on following pages

City of Kenosha
General Location Map



-  Proposed RACK Lease Area
-  Redevelopment Authority-owned Properties
-  Kenosha County-owned Property

